



NATURAL RESOURCES DEFENSE COUNCIL

February 8, 2007

Ms. Tracie Billington
Department of Water Resources
Division of Planning and Assistance
P.O. Box 942836
Sacramento, CA 94236-0001

Ms. Shahla Farahnak
State Water Resources Control Board
Division of Financial Assistance
1001 "I" Street, 16th Floor
Sacramento, CA 95814

**Re: Additional Grant Awards for the Integrated Regional Water Management
Grant Program (Proposition 50) – Request to Reopen the Process**

Dear Ms. Billington and Ms. Farahnak:

I am writing on behalf of the Natural Resources Defense Council ("NRDC") in response to the Department of Water Resources ("DWR") news release of January 19, 2007, announcing plans to award all of the remaining Proposition 50 funding only to existing applicants from a prior funding round using the original grant criteria. On behalf of our more than 1.2 million members and on-line activists, we strongly urge DWR and the State Water Resources Control Board (SWRCB) to reopen the application process for another round to allow a broader group of potential applicants -- including those who may have proposals that only recently became ready for funding - to compete for a grant.

As DWR and SWRCB know, NRDC has led an 18 year effort to restore flows and salmon populations to the San Joaquin River downstream of Friant Dam. With the help of Governor Schwarzenegger and your two agencies, a landmark settlement was reached last year ending the litigation and committing the Federal and State governments, the environmental and fishing communities, and the Friant water users to a multi-year comprehensive restoration and water management effort. Throughout the past 18 months of settlement discussions, State officials have repeatedly offered their assistance with state funding and other support for this settlement effort, which the Governor has noted will benefit millions of Californians.

Indeed, State officials have signed an MOU with the Settling Parties further committing to provide such assistance, the Secretary for Resources has testified and written to Congress reiterating such commitments, and the Governor has written to the US Department of the Interior similarly committing State resources to help with settlement implementation. We understand all of these expressions of State support

have been influential with the Secretary of the Interior, who has personally praised the San Joaquin River settlement as one of the largest restoration efforts in California history. During meetings with State officials over the past 18 months, Prop 50 funding was often cited as one of the potential sources of State funding that could assist with the restoration and water management measures provided in the Settlement.

In light of this history, and the substantial funding still available under Proposition 50, we believe the current staff proposal to award all remaining funds only to those applicants who had previously applied in earlier rounds, and without any plan for the agencies to revisit earlier funding criteria, could have some negative effects and limit otherwise meritorious proposals. We also note that some of the innovative measures called for by the San Joaquin River Settlement were not even agreed to and approved at the time of the earlier application deadlines, and certainly not when the prior funding criteria were established.

All of us in the plaintiff coalition in the San Joaquin litigation have been appreciative of the State's leadership in encouraging and supporting the recent settlement. Consistent with that past support and ongoing commitment, we urge the State to reopen the Prop 50 application process before any remaining funding is awarded. Thank you for considering our views.

Sincerely,



Hamilton Candee
Senior Attorney

Monty Schmitt
San Joaquin Restoration Project Manager

Cc: Ron Jacobsma, Friant Water Users Authority